

Slate Grocery REIT

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

Independent Auditor's Report

To the Unitholders and the Board of Trustees of
Slate Grocery REIT

Opinion

We have audited the consolidated financial statements of Slate Grocery REIT (the "REIT"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the REIT as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the REIT in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Properties – refer to Notes 3 and 6 of the financial statements

Key Audit Matter Description

The REIT has elected the fair value model for all properties and, accordingly, measures all properties at fair value subsequent to initial recognition on the consolidated statement of financial position. The fair value of properties is determined primarily using the overall income capitalization method, which uses current leasing and market assumptions. The determination of the fair value of properties requires the use of assumptions such as future cash flows from assets, tenant profiles, future revenue streams and overall repair and condition of the property and capitalization rates.

While there are several assumptions used to determine the fair value of properties, the assumptions with the highest degree of subjectivity and impact on fair value are the capitalization rates. Auditing the capitalization rates required a high degree of auditor judgment as the estimations made by management contain significant measurement uncertainty. This resulted in an increased extent of audit effort, including the need to involve fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

With the assistance of fair value specialists, the audit procedures related to the capitalization rates, included, amongst others, evaluating their reasonableness by considering recent market transactions and industry surveys.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the REIT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the REIT or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the REIT's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the REIT's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the REIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the REIT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the REIT as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Robert Rourke.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized, cursive script followed by "LLP" in a clean, sans-serif font.

Chartered Professional Accountants
Licensed Public Accountants
February 10, 2026

Slate Grocery REIT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of United States dollars, unless otherwise stated)

| | Note | December 31, 2025 | December 31, 2024 |
|--|------|---------------------|---------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Properties | 6 | \$ 2,231,184 | \$ 2,054,511 |
| Joint venture investments | 7 | 63,138 | 112,429 |
| Interest rate swaps | 9 | — | 4,690 |
| Other assets | | 3,379 | 3,624 |
| | | \$ 2,297,701 | \$ 2,175,254 |
| Current assets | | | |
| Cash | | 21,819 | 22,668 |
| Accounts receivable | 8 | 24,774 | 23,417 |
| Other assets | | 6,980 | 4,327 |
| Prepays | | 5,806 | 5,050 |
| Interest rate swaps | 9 | — | 2,983 |
| | | \$ 59,379 | \$ 58,445 |
| Total assets | | \$ 2,357,080 | \$ 2,233,699 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Debt | 10 | \$ 1,225,490 | \$ 1,120,616 |
| Interest rate swaps | 9 | 2,655 | — |
| Deferred income taxes | 11 | 157,211 | 153,580 |
| Other liabilities | | 4,793 | 4,378 |
| | | \$ 1,390,149 | \$ 1,278,574 |
| Current liabilities | | | |
| Debt | 10 | 77,966 | 46,039 |
| Accounts payable and accrued liabilities | 12 | 39,880 | 42,071 |
| Exchangeable units of subsidiaries | 13 | 8,612 | 8,733 |
| Distributions payable | 14 | 4,323 | 4,323 |
| | | \$ 130,781 | \$ 101,166 |
| Total liabilities | | \$ 1,520,930 | \$ 1,379,740 |
| EQUITY | | | |
| Unitholders' equity | | \$ 659,124 | \$ 673,474 |
| Non-controlling interest | 15 | 177,026 | 180,485 |
| Total equity | | \$ 836,150 | \$ 853,959 |
| Total liabilities and equity | | \$ 2,357,080 | \$ 2,233,699 |

The accompanying notes are an integral part of the consolidated financial statements.

Slate Grocery REIT

CONSOLIDATED STATEMENTS OF INCOME

(in thousands of United States dollars, unless otherwise stated)

| | Note | Year ended December 31, | |
|--|------|-------------------------|------------------|
| | | 2025 | 2024 |
| Rental revenue | 16 | \$ 213,369 | \$ 209,135 |
| Property operating expenses | | (65,797) | (64,625) |
| General and administrative expenses | 17 | (16,631) | (16,176) |
| Interest and finance costs | 18 | (64,903) | (57,113) |
| Share of income in joint venture investments | 7 | 10,714 | 8,735 |
| Disposition costs | 5 | (680) | (388) |
| Change in fair value of financial instruments | | (1,383) | 1,325 |
| Change in fair value of properties | 6 | (12,076) | (20,637) |
| Net income before income taxes and unit expense | | \$ 62,613 | \$ 60,256 |
| Deferred income tax expense | 11 | (6,117) | (7,460) |
| Current income tax expense | 11 | (488) | (816) |
| Unit expense | 19 | (2,557) | (1,386) |
| Net income | | \$ 53,451 | \$ 50,594 |
| Net income attributable to | | | |
| Unitholders | | \$ 40,829 | \$ 38,280 |
| Non-controlling interest | 15 | 12,622 | 12,314 |

Slate Grocery REIT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of United States dollars, unless otherwise stated)

| | Note | Year ended December 31, | |
|--|------|-------------------------|------------------|
| | | 2025 | 2024 |
| Net income | | \$ 53,451 | \$ 50,594 |
| Items to be subsequently reclassified to profit or loss | | | |
| (Loss) gain on effective hedges of interest rate risk, net of tax | 9 | (2,241) | 7,220 |
| Reclassification of other comprehensive income reserve to profit or loss | | (1,065) | (571) |
| Reclassification of effective hedges of interest rate risk to profit or loss | 9 | (3,921) | (8,190) |
| Other comprehensive loss | | (7,227) | (1,541) |
| Comprehensive income | | \$ 46,224 | \$ 49,053 |
| Comprehensive income attributed to | | | |
| Unitholders | | \$ 35,386 | \$ 37,119 |
| Non-controlling interest | 15 | 10,838 | 11,934 |

The accompanying notes are an integral part of the consolidated financial statements.

Slate Grocery REIT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of United States dollars, unless otherwise stated)

| | Note | REIT units | Retained earnings | Accumulated comprehensive income (loss) | Capital reserve | Non-controlling interest | Total |
|--|--------|-------------------|-------------------|---|-------------------|--------------------------|-------------------|
| December 31, 2024 | | \$ 584,769 | \$ 84,027 | \$ 6,102 | \$ (1,424) | \$ 180,485 | \$ 853,959 |
| Net income and other comprehensive (loss) income | | — | 40,829 | (5,443) | — | 10,838 | 46,224 |
| Distributions, net | 14 | — | (51,126) | — | — | (14,297) | (65,423) |
| Exchanges | 13, 14 | 1,390 | — | — | — | — | 1,390 |
| December 31, 2025 | | \$ 586,159 | \$ 73,730 | \$ 659 | \$ (1,424) | \$ 177,026 | \$ 836,150 |

| | Note | REIT units | Retained earnings | Accumulated comprehensive income (loss) | Capital reserve | Non-controlling interest | Total |
|--|------|-------------------|-------------------|---|-------------------|--------------------------|-------------------|
| December 31, 2023 | | \$ 584,769 | \$ 96,835 | \$ 7,263 | \$ (1,424) | \$ 179,793 | \$ 867,236 |
| Net income and other comprehensive (loss) income | | — | 38,280 | (1,161) | — | 11,934 | 49,053 |
| Distributions | 14 | — | (51,088) | — | — | (11,242) | (62,330) |
| December 31, 2024 | | \$ 584,769 | \$ 84,027 | \$ 6,102 | \$ (1,424) | \$ 180,485 | \$ 853,959 |

The accompanying notes are an integral part of the consolidated financial statements.

Slate Grocery REIT

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of United States dollars, unless otherwise stated)

| | Note | Year ended December 31, | |
|--|--------|-------------------------|--------------------|
| | | 2025 | 2024 |
| OPERATING ACTIVITIES | | | |
| Net income | | \$ 53,451 | \$ 50,594 |
| Items not affecting cash and other | | | |
| Straight-line rent | 6 | (746) | (363) |
| Change in fair value of financial instruments | 9 | 1,383 | (1,325) |
| Change in fair value of properties | 6 | 12,076 | 20,637 |
| Deferred income tax expense | 11 | 6,117 | 7,460 |
| Unit expense | 19 | 2,557 | 1,386 |
| Share of income in joint venture investments | 7 | (10,714) | (8,735) |
| Disposition costs | 5 | 680 | 388 |
| Interest and finance costs | 18 | 64,903 | 57,113 |
| Cash interest paid, net | 18 | (61,092) | (54,999) |
| Changes in working capital items | | (1,652) | (1,183) |
| | | \$ 66,963 | \$ 70,973 |
| INVESTING ACTIVITIES | | | |
| Acquisitions | 4, 6 | (5,367) | — |
| Dispositions | 5 | 15,391 | 12,226 |
| Contributions to joint venture investments | 7 | (41,200) | (880) |
| Distributions from joint venture investments | 7 | 2,909 | 4,287 |
| Funds held in escrow | | (336) | (1,121) |
| Capital expenditures | 6 | (6,256) | (3,931) |
| Leasing costs | 6 | (3,317) | (2,950) |
| Tenant improvements | 6 | (4,100) | (5,629) |
| Development and expansion capital | 6 | (9,662) | (12,433) |
| | | \$ (51,938) | \$ (10,431) |
| FINANCING ACTIVITIES | | | |
| Revolver advances, net of financing costs | 24 | 60,750 | 239,873 |
| Term loan advances, net of financing costs | 24 | — | 221,994 |
| Mortgage advances, net of financing costs | 24 | 63,123 | 127,737 |
| Revolver, term loan and mortgage repayments | 24 | (73,578) | (587,951) |
| REIT unit distributions | 14 | (51,116) | (51,088) |
| Exchangeable units of subsidiaries distributions | 14, 19 | (756) | (784) |
| Distributions to non-controlling interest | | (14,297) | (11,242) |
| | | \$ (15,874) | \$ (61,461) |
| Decrease in cash | | (849) | (919) |
| Cash, beginning of the period | | 22,668 | 23,587 |
| Cash, end of the period | | \$ 21,819 | \$ 22,668 |

The accompanying notes are an integral part of the consolidated financial statements.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024
(in thousands of United States dollars, unless otherwise stated)

1. DESCRIPTION OF THE REIT AND OPERATIONS

Slate Grocery REIT (the "REIT") is an unincorporated, open-ended mutual fund trust under and governed by the laws of the Province of Ontario. The REIT focuses on acquiring, owning, and leasing a portfolio of grocery-anchored real estate properties (the "properties") in the United States of America (the "U.S.").

The class U units of the REIT trade on the Toronto Stock Exchange ("TSX") under the symbols SGR.U and SGR.UN. The principal, registered, and head office of the REIT is 121 King Street West, Suite 1600, Toronto, Ontario, M5H 3T9.

The objectives of the REIT are to:

- provide unitholders with stable cash distributions from a portfolio of grocery-anchored real estate properties in the U.S.;
- enhance the value of the REIT's assets in order to maximize long-term unitholder value through active management; and
- expand the asset base of the REIT and increase the REIT's earnings on a per unit basis, including through accretive acquisitions.

2. BASIS OF PREPARATION

i. Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS Accounting Standards"), as issued by the International Accounting Standards Board ("IASB").

ii. Approval of the consolidated financial statements

The consolidated financial statements were approved by the trustees of the REIT and authorized for issuance on February 10, 2026.

iii. Basis of measurement

These consolidated financial statements have been prepared on a going concern basis and measured at historical cost, except for properties and certain financial instruments, which are measured at fair value.

The application of the going concern basis of preparation assumes that the REIT will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The REIT expects to continue as a going concern for the foreseeable future.

iv. Functional and presentation currency

These consolidated financial statements are presented in U.S. dollars, which is the REIT's functional currency and the functional currency of all its subsidiaries.

v. Comparative information

Certain comparative balances have been reclassified in the consolidated financial statements to provide consistency with the current period classification. The aforementioned changes are not material to the consolidated financial statements as a whole.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with the material accounting policy information described below.

i. Basis of consolidation

The consolidated financial statements include the accounts of the REIT and its subsidiaries in accordance with IFRS 10, *Consolidated Financial Statements*. Intercompany transactions and balances have been eliminated on consolidation.

A subsidiary is an entity over which the REIT has control. Control exists when the REIT has power over an investee, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of a subsidiary are changed when necessary to align them with the policies applied by the REIT in these consolidated financial statements.

Changes in the REIT's ownership interests in subsidiaries that do not result in the REIT losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the REIT's interests and any non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the unitholders of the REIT. When the REIT loses control of a subsidiary, for example through sale or partial sale, a gain or loss is recognized and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. When a non-controlling interest is first created through a transaction other than a business combination, the REIT accounts for the non-controlling interest at its fair value which equals the consideration received.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024
(in thousands of United States dollars, unless otherwise stated)

ii. Joint arrangements

A joint arrangement is a contractual arrangement in which the REIT has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the return of an arrangement. The REIT classifies joint arrangements as either joint operations or joint ventures.

A joint operation is a joint arrangement wherein the parties have rights to the assets and obligations for the liabilities. The REIT's interest in a joint operation is accounted for based on the REIT's interest in those assets, liabilities, revenues, and expenses.

A joint venture is a joint arrangement wherein the parties have rights to the net assets. The REIT's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the REIT's share of net assets of the joint venture since the acquisition date. The consolidated statement of income reflects the REIT's share of the results of operation of the joint venture. Any change in other comprehensive income ("OCI") of the joint venture is presented as part of the REIT's consolidated statement of comprehensive income.

iii. Properties

Properties include land and buildings held primarily to earn rental income, for capital appreciation or for both. The REIT accounts for the properties in accordance with International Accounting Standard ("IAS") 40, *Investment Property* ("IAS 40"). For acquired properties that meet the definition of a business, the acquisition is accounted for as a business combination. Acquisitions of properties that do not meet the definition of a business are initially measured at cost including directly attributable transaction costs.

Subsequent to acquisition, properties are measured at fair value, which is determined based on available market evidence at the statement of financial position date including, among other things, rental revenue from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental revenue from future leases less future cash outflows in respect of capital expenditures. Changes in fair value of properties are recognized in net income in the period in which they arise.

The carrying value of properties includes the impact of straight-line rent receivable, tenant inducements, direct leasing costs and adjustments related to the impact of International Financial Reporting Interpretations Committee ("IFRIC") 21, *Leases* ("IFRIC 21").

Direct leasing costs include leasing commissions, lease incentives, and legal fees directly attributable to negotiating and arranging a lease. Lease incentives that are spent on improvements are referred to as tenant improvements and are capitalized. All other lease incentives are referred to as tenant inducements. Lease incentives that do not provide benefits beyond the initial lease term are included in the carrying amount of properties and are amortized on a straight-line basis over the term of a lease as a reduction of revenue.

When a property is disposed of, the gain or loss is determined as the difference between the sales price and the carrying amount of the property and is recognized in net income in the period of disposal as a change in the fair value of property. Sales costs are recorded as disposition costs on the consolidated statements of income.

iv. Business combinations

The REIT accounts for property acquisitions as a business combination if the particular assets and set of activities acquired can be operated and managed as a business in its current state. In particular, this assessment includes an evaluation of whether there are inputs and substantive processes, in addition to the properties, that together significantly contribute to the ability to generate outputs. The REIT has an option to apply the 'concentration test' that allows for a simplified assessment of whether an acquired set of activities and assets constitutes a business. The concentration test assesses whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the aforementioned test is met, the acquisition can be treated as an asset acquisition.

The consideration transferred for a business combination is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the REIT. The total consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired as well as liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

The REIT recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Any contingent consideration is recognized at fair value at the acquisition date. Subsequent changes to the fair value of contingent consideration are recognized as a liability in accordance with IFRS 9, *Financial Instruments* ("IFRS 9") primarily in net income or, in certain circumstances, as a change to OCI. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the fair value of consideration transferred and the fair value of non-controlling interest over the identifiable net assets acquired. If the consideration is lower than the fair value of the net assets acquired, the difference is recognized in net income as a bargain purchase option.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

v. Leases

Leases where the REIT, as the lessor, does not transfer substantially all the risks and rewards of ownership of its properties are classified as operating leases. Leases that transfer substantially all the risks and rewards of ownership of an asset are classified as finance leases. The REIT assesses the classification of leases at the inception date of the lease, being the date when the lease is signed. All of the REIT's leases are considered operating leases.

vi. Revenue recognition

Revenue from properties includes rents from tenants under lease agreements, percentage rents and property tax and operating cost recoveries. Lease components, including rents from tenants, percentage rents and property tax recoveries are accounted for pursuant to IFRS 16, *Leases* ("IFRS 16") and are therefore outside the scope of IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") while non-lease components which includes operating cost recoveries are within the scope of IFRS 15. The REIT recognizes lease income when the tenant has a right to use the leased asset. This occurs on the lease commencement date or, where the REIT is required to make additions to the property in the form of tenant improvements that enhance the value of the property, upon substantial completion of those improvements. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease. Straight-line rent receivables, which are included in the carrying amount of the property, represent the difference between the cumulative lease income recorded and the contractual amounts due. Common area maintenance and other services are recognized in the period that services are performed and are chargeable to tenants.

vii. Expenses

Property operating expenses and general and administrative expenses are recognized in net income in the period in which they are incurred.

viii. Property tax and liabilities

IFRIC 21 provides guidance on when to recognize a liability for levies that are accounted for in accordance with the requirements of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37"), and those where the timing and amount of the levy are certain. Levies are outflows from an entity imposed by a government in accordance with legislation. The REIT has assessed property taxes as being within the scope of IFRIC 21, given that property taxes are non-reciprocal charges imposed by a government, in accordance with legislation, and are based on the assessed value of property. IFRIC 21 confirms that an entity recognizes a liability for a levy when, and only when, the triggering event specified in the legislation occurs. The REIT has determined that the liability to pay property taxes on its properties should be recognized at a point in time, being the start of the fiscal year. This resulted in the REIT recognizing the annual property tax liability and expense on its properties annually at January 1, with a corresponding increase to the fair value of properties that is reversed as the liability is settled throughout the year.

ix. Other comprehensive income

Comprehensive income consists of net income and OCI. OCI represents items of income and expenses, including reclassification adjustments, that are not recognized in profit or loss, including the effective portion of hedging instruments.

x. Income taxes

Slate Grocery Investment L.P. ("Investment L.P."), a subsidiary of the REIT that holds the REIT's investments, made an election pursuant to the U.S. Internal Revenue Code, as amended, to be classified as a corporation for U.S. federal income tax purposes. Consequently, Investment L.P. is considered a 'foreign corporation' for U.S. federal income tax purposes and is subject to U.S. federal, as well as state, income taxation on its allocable share in Slate Grocery One L.P. ("LP1"), a subsidiary of the REIT, and any subsidiary limited partnership thereof. Slate Grocery Investment Inc. ("Investment Inc.") is a U.S. corporation formed in the state of Delaware. It is subject to federal and state income taxation on its allocable share in Slate Grocery Investment US L.P. ("SGIUSLP"), a subsidiary of the REIT, and any subsidiaries thereof.

The REIT measures deferred tax liabilities of these subsidiaries by applying the appropriate tax rate to temporary differences between the carrying amounts of assets and liabilities and their respective tax basis. The appropriate tax rate is determined by reference to the rates that are expected to apply to the year and the jurisdiction in which the assets are expected to be realized or the liabilities settled. Deferred tax assets are recorded for all deductible temporary differences, carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. For the determination of deferred tax assets and liabilities where the property is measured using the fair value model, the presumption is that the carrying amount of a property is recovered through sale, as opposed to presuming that the economic benefits of the property will be substantially consumed through use over time. The REIT qualifies as a 'mutual fund trust' under the Canadian Income Tax Act and plans to distribute or designate all taxable earnings to unitholders and, under current legislation, the obligation to pay tax rests with each unitholder. Accordingly, no current or deferred tax provision is recognized on the REIT's income at the REIT level in addition to deferred tax amounts recorded in respect of Investment L.P. and Investment Inc. on consolidation.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

xi. Exchangeable units of subsidiaries

Class B units of LP1 and Slate Grocery Two L.P. ("LP2") (collectively, "exchangeable units of subsidiaries"), which are each subsidiaries of the REIT, are redeemable by the unitholder, for cash or class U units of the REIT at the option of the REIT and therefore are classified as financial liabilities under IAS 32, *Financial Instruments: Presentation* ("IAS 32"). The REIT does not have the right to defer the settlement of the exchangeable units of subsidiaries and therefore, the exchangeable units of subsidiaries are classified as current liabilities in the consolidated statements of financial position.

The exchangeable units of subsidiaries are designated as fair value through profit or loss ("FVTPL") under IFRS 9. Exchangeable units of subsidiaries are re-measured based on the quoted closing price of REIT units into which they are exchangeable with changes in fair value recognized in net income as unit expense. Distributions paid on exchangeable units of subsidiaries are recorded as unit expense in the period in which they become payable.

xii. REIT units

The REIT has class A units, class I units and class U units issued and outstanding (collectively, the "REIT units"). As an open-ended investment trust, unitholders of each class of units of the REIT are able to require the REIT to redeem at any time or from time to time at the demand of the unitholder all or any part of the REIT units held by the unitholder in an amount equal to redemption price, as specified by the REIT's Declaration of Trust. This redemption is to be provided in cash, subject to certain limitations. If a redemption is not satisfied in cash, the redemption price is to be paid by notes of the REIT or property of the REIT.

xiii. Financial instruments

Financial instruments are classified as amortized cost, FVTPL, or fair value through OCI ("FVOCI"). The REIT has made the following classifications:

| | Classification |
|---|----------------|
| Financial assets | |
| Cash | Amortized cost |
| Accounts receivable | Amortized cost |
| Financial assets within other assets ¹ | Amortized cost |
| Interest rate swaps ² | FVTPL |
| Financial liabilities | |
| Accounts payable and accrued liabilities | Amortized cost |
| Distributions payable | Amortized cost |
| Interest rate swaps ² | FVTPL |
| Revolver, term loans and mortgages | Amortized cost |
| Financial liabilities within other liabilities ³ | Amortized cost |
| Exchangeable units of subsidiaries | FVTPL |

¹Relates primarily to restricted cash held in escrow to satisfy reserve requirements on debt obligations, as well as note receivables and deposits.

²Fair value movements for interest rate swaps that meet the qualification for hedge accounting are recognized in OCI as opposed to profit or loss.

³Relates to rental security deposits included in other liabilities.

All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs, other than those related to financial instruments classified as FVTPL or FVOCI, are capitalized to the carrying amount of the instrument. These costs include amortization of discounts or premiums on borrowings, fees and commissions paid to agents, brokers and advisers, transfer taxes, and duties that are incurred in connection with the arrangement of borrowings.

Exchangeable units of subsidiaries are classified as FVTPL and are measured at fair value with gains and losses recognized in net income as unit expense.

Subsequent to initial recognition, debt instruments or other financial liabilities are measured at amortized cost, using the effective interest method or at FVTPL. All recognized financial assets are measured subsequently in their entirety at either amortized cost or FVTPL, depending on the classification of the financial assets.

Fair value changes on derivatives that are designated and qualify for hedge accounting are recognized in OCI. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognized in profit or loss.

The REIT derecognizes a financial asset or liability when its contractual rights or obligations expire, or it transfers its rights or obligations in a transaction in which substantially all the risks and rewards of ownership are transferred. Any rights and obligations created or retained by the REIT in a transfer are recognized as separate assets or liabilities.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

Impairment of financial assets

The REIT uses an expected credit loss (“ECL”) impairment model for financial assets measured at amortized cost or debt instruments measured at fair value through OCI. The ECL model uses an allowance for expected credit losses being recorded regardless of whether or not there has been an actual loss event. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The REIT recognizes lifetime ECL for trade receivables and 12-month ECL for TIF notes receivables. The amount of the expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. If the credit risk is determined to increase significantly over the period, then the REIT would recognize lifetime ECL for TIF notes receivables and notes receivable.

xiv. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the REIT considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date, unless otherwise noted.

Except as noted, the carrying value of the REIT's financial assets and financial liabilities approximate their fair values because of the short period until receipt or payment of cash. Fair value measurements recognized in the statements of financial position are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the REIT can access at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs that are not based on observable market data.

Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety.

Exchangeable units of subsidiaries are measured at fair value based on the market trading price of REIT units consistent with Level 1. All other fair value measurements for non-derivative financial instruments are measured using Level 2 or Level 3 inputs.

The fair values of derivative instruments are calculated using quoted rates. The fair value of interest rate swaps, which is a Level 2 input, are calculated as the present value of estimated future cash flows discounted at actively quoted interest rates and an applicable yield curve for the duration of the instruments.

xv. Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognized at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The REIT uses certain financial instruments to hedge its exposure to certain market risks arising from operational, financial and investing activities. At the inception of the hedge transaction, the REIT documents the following:

- the type of hedge;
- the relationship between the hedging instrument and hedged item;
- hedge effectiveness; and
- the REIT's risk management objective and strategy for undertaking various hedge transactions.

The REIT documents and assesses hedge effectiveness on an ongoing basis, whether the hedging instrument is highly effective in offsetting changes in cash flows of hedged items.

Cash flow hedge – interest rate swaps

The REIT has entered into pay-fixed, receive-float interest rate swap contracts that are cash flow hedges for interest rate risk exposure on the REIT's floating rate debt. These contracts entitle the REIT to receive interest at floating rates on a notional principal amount and obliges the REIT to pay interest at a fixed rate on the same notional principal amount. This allows the REIT to raise borrowings at floating rates and swap them into fixed rates.

The interest rate swaps are designated as cash flow hedges in OCI if the hedges are highly effective in offsetting the hedged risk. Accordingly, the changes in fair value of the swaps are recorded in the hedging reserve in OCI if the hedges are considered to be effective. If the cash flow hedge is considered to be ineffective, the changes in fair value of the swaps are recognized in net income.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the REIT performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The REIT expects the interest rate swap contracts and their corresponding hedged items to operate on a one-to-one basis. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the REIT's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. Hedge ineffectiveness may also arise subsequent to initial hedge designation upon a renegotiation of the key terms of the swap contracts.

xvi. Deferred unit incentive plan

The REIT has a deferred unit incentive plan ("DUP") whereby trustees of the REIT, who are not also members of management may elect to receive all or a portion of their Trustee fees in the form of deferred units that vest immediately upon grant. Officers of the REIT may elect to acquire deferred class U units, which represent a right to receive class U units, in lieu of equivalent amounts of asset management fees for management services rendered by Slate Asset Management (Canada) L.P. (the "Manager").

The deferred units are equivalent in value to REIT units and accumulate additional deferred units at the same rate that distributions are paid on REIT units in relation to the market value of REIT units, as defined by the DUP. Deferred units may be redeemed by a participant for a period of two years after the participant ceases to be a trustee or officer of the REIT in whole or in part for cash or REIT units. The value of deferred units when converted to cash will be equivalent to the market value of REIT units on the date of the redemption request. Deferred units have been classified as a liability recorded within accounts payable and accrued liabilities, and measured at fair value. Initial recognition of the deferred units is recorded as a general and administrative expense. Subsequent changes in the fair value of deferred units are recorded in net income as unit expense.

xvii. Finance costs

Finance costs comprise interest expense on borrowings, amortization or derecognition of mark-to-market adjustments on assumption of mortgages, amortization of transaction costs and accretion expense.

xviii. Segments

The REIT has only one reportable segment. The REIT owns and operates properties in the U.S. The REIT identifies each property as an individual operating segment and has aggregated them into a reportable segment based on similarity in the nature of the tenants and operational processes.

xix. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the consolidated financial statements and accompanying disclosures. Although these estimates are based on management's knowledge of current events and actions the REIT may undertake in the future, actual results may differ from these estimates.

Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements is discussed below:

- **Business combinations**

The REIT acquires real estate properties. At the time of acquisition, the REIT considers whether or not the acquisition represents the acquisition of a business. The REIT accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. Consideration is also made to the extent to which significant processes are acquired and the extent of ancillary services provided by the property (e.g. maintenance, cleaning, security, bookkeeping, etc.). The significance of any process is judged with reference to the guidance in IAS 40 regarding ancillary services. The REIT also applies the aforementioned concentration test in assessing whether the acquisition constitutes a business acquisition or an asset acquisition.

When the acquisition of a property does not represent a business, it is accounted for as an acquisition of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill is recognized.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

- **Control assessments**

Assessing the REIT's ability to control, jointly control or influence the relevant financial and operating policies of another entity may, depending on the facts and circumstances, require significant judgment. In determining if the REIT has control over another entity, judgments are made when identifying which activities of the entity are relevant to significantly affecting returns and the REIT's ability to direct those activities. The REIT will also make judgments as to the potential voting rights, the existence of contractual terms that provide the ability to direct the relevant activities, and the extent to which decisions must be made unanimously with or independently of the other parties of the entity. The REIT considers all relevant facts and circumstances in assessing whether or not their voting rights, alongside all other powers implied or expressed in the terms of the contractual agreement into which it enters, are sufficient to infer control, joint control or significant influence. As part of this assessment, the REIT considers the contractual rights and obligations, voting rights, board representation and the legal structure of the joint arrangement along with other facts and circumstances present in the contractual agreement. This assessment of control impacts how the operations of these entities are reported in the REIT's consolidated financial statements.

- **Lease contracts**

The REIT has entered into property leases on its property portfolio. The REIT makes judgments in determining whether certain leases, in particular those leases with long contractual terms, are operating or finance leases.

- **Classification of REIT units and exchangeable units of subsidiaries**

In determining whether REIT units and exchangeable units of subsidiaries should be classified as liabilities or equity, management has assessed whether REIT units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the units are puttable, and whether the criteria in IAS 32 that permit classification of a puttable instrument as equity have been satisfied.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates that have the most significant impact on the consolidated financial statements include:

- **Valuation of properties**

On a quarterly basis, the fair value of properties is determined by management using current leasing and market assumptions.

The determination of the fair value of property requires the use of estimates such as future cash flows from assets, tenant profiles, future revenue streams, the overall repair and condition of the property, and capitalization rates applicable to those assets. These estimates are based on market conditions existing at the reporting date.

The following approaches, either individually or in combination, are used by management, in the determination of the fair value of the properties:

- a. **Income approach**

This approach derives market value by estimating the future cash flows that will be generated by the property and then applying an appropriate capitalization rate to those cash flows. This approach can utilize the overall income capitalization method as described below:

Overall income capitalization method: One year of income is stabilized and capitalized at a rate appropriate for each property. The most significant assumptions in determining fair values under the overall capitalization method include:

- i. Stabilized net operating income – based on the location, type and quality of the properties and supported by existing lease terms, or external evidence such as current market rents for similar properties, adjusted for estimated vacancy rates based on current and expected future market conditions after expiry of any current lease and expected maintenance costs.
- ii. Capitalization rate – based on location, size and quality of the properties and considering market data at the valuation date.

The REIT uses leasing history, market reports, tenant profiles and available independent appraisals, among other things, in determining the most appropriate assumptions.

- b. **Direct comparison approach**

This approach involves comparing or contrasting the recent sale, listing or optioned prices of properties comparable to the subject and adjusting for any significant differences between them.

At December 31, 2025 and December 31, 2024, the fair value of the REIT's properties is determined primarily using the overall income capitalization method using level 3 inputs, under the fair value hierarchy. The REIT uses the sales price when a firm contract for the sale of a property exists.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

The fair values of properties are measured individually without consideration to their aggregate value on a portfolio basis. No consideration is given to diversification benefits related to single property tenant risk and geography, the value of assembling a portfolio or to the utilization of a common management platform, amongst other benefits. As a result, the fair value of the REIT's properties taken in aggregate may differ from the fair value of properties measured individually in the REIT's consolidated statements of financial position.

xx. Future Accounting policies

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, IFRS 18, *Presentation and Disclosure in Financial Statements*, was issued to replace IAS 1, *Presentation of Financial Statements* with the aim to provide users with more transparent and comparable information. It requires the usage of new categories of income and expense in the consolidated statements of income and comprehensive income including operating, investing, financing, income taxes and discontinued operations sections, as well as new subtotals aligning with these categories. The standard further requires management-defined performance measures to be disclosed in the consolidated financial statements, along with disclosures related to how such measures are calculated and reconciled to the most comparable subtotals specified by IFRS Accounting Standards.

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with early adoption permitted, and is to be applied retrospectively. The REIT is currently in the process of assessing the impact of adopting the new standard on its consolidated financial statements.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

4. ACQUISITION

On December 1, 2025, the REIT acquired the remaining interest in Pine Creek Shopping Center, Barclay Square, and Dallas Portfolio (collectively, the "Tom Thumb Portfolio"), previously held by its joint venture partner, increasing its ownership to 100% of the 10-property portfolio (the "Acquisition"). Prior to the acquisition, the REIT accounted for its interest in the Tom Thumb Portfolio as a joint venture investment using the equity method. Upon obtaining control of the Tom Thumb Portfolio resulting from its increase in ownership, the portfolio was accounted for as a subsidiary and was fully consolidated in the REIT's consolidated financial statements from the date of acquisition.

| Entity | Properties | Location | Purchase price |
|----------------------------|------------|----------------------------------|-------------------|
| Pine Creek Shopping Center | 1 | Sacramento-Roseville | 47,734 |
| Barclay Square | 1 | Tampa-St. Petersburg-Clearwater | 21,606 |
| Dallas Portfolio | 8 | Dallas-Ft Worth-Arlington, Texas | 38,936 |
| Total | | | \$ 108,276 |

The REIT assessed whether the Acquisition constituted a business combination in accordance with IFRS 3, *Business Combinations*. The REIT applied the optional concentration test, which was met, as substantially all of the fair value of the gross assets acquired was concentrated in a group of similar identifiable assets. Accordingly, the transaction was determined to be an asset acquisition and thus the consideration transferred, together with the carrying amount of the REIT's previously held interest, were allocated to the identifiable assets acquired, and liabilities assumed, based on their relative fair values upon the acquisition date.

The consideration transferred for the Acquisition consisted of \$10.0 million, of which \$5.7 million was settled in cash.

The following table summarizes the assets acquired and liabilities assumed at the acquisition date:

| | December 31, 2025 |
|-----------------------------------|-------------------|
| Assets | |
| Properties | \$ 180,422 |
| Cash | 775 |
| Other current assets ¹ | 10,465 |
| Total assets acquired | \$ 191,662 |
| Liabilities | |
| Debt | 81,352 |
| Non-current liabilities | 493 |
| Current liabilities | 1,541 |
| Total liabilities acquired | \$ 83,386 |
| Net assets acquired | \$ 108,276 |

¹ Includes cash, accounts receivable, funds held in reserve and prepaid expenses.

Transaction costs of \$0.1 million were incurred in connection with the transaction.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

5. DISPOSITIONS

The REIT disposed of one property during the year ended December 31, 2025, as follows:

| Property | Disposition date | Location | Anchor tenant | Sales price |
|---------------------------------------|------------------|---------------------|----------------|------------------|
| Flower Mound Crossing | December 9, 2025 | Flower Mound, Texas | Club 4 Fitness | \$ 16,500 |
| Sales price | | | | \$ 16,500 |
| Capital adjustments | | | | (289) |
| Properties | | | | \$ 16,211 |
| Working capital and other adjustments | | | | (140) |
| Disposition costs | | | | (680) |
| Total Disposition | | | | \$ 15,391 |
| Repayment of mortgage | | | | (11,040) |
| Total | | | | \$ 4,351 |

The REIT disposed of one property and one property outparcel during the year ended December 31, 2024, as follows:

| Property | Disposition date | Location | Anchor tenant | Sales price |
|---------------------------------------|------------------|----------------------|----------------|------------------|
| Stonefield Square | June 27, 2024 | Louisville, Kentucky | Crunch Fitness | \$ 12,750 |
| Salerno Village Square - Outparcel | October 11, 2024 | Stuart, Florida | N/A | 430 |
| Total | | | | \$ 13,180 |
| Sales price | | | | \$ 13,180 |
| Capital adjustments | | | | (423) |
| Properties | | | | \$ 12,757 |
| Working capital and other adjustments | | | | (143) |
| Disposition costs | | | | (388) |
| Total | | | | \$ 12,226 |

6. PROPERTIES

As at December 31, 2025, the REIT owned 115 properties (December 31, 2024 - 116 properties), of which 110 are in entities consolidated by the REIT. The remaining 5 properties (December 31, 2024 - 15 properties) are accounted as joint venture investments (note 7) and not included in the table below.

The change in properties is as follows:

| | | December 31, 2025 | December 31, 2024 |
|------------------------------------|---|---------------------|---------------------|
| Beginning of the period | | \$ 2,054,511 | \$ 2,062,599 |
| Acquisitions | 4 | 180,879 | — |
| Capital expenditures | | 6,256 | 3,931 |
| Leasing costs | | 3,317 | 2,950 |
| Tenant improvements | | 4,100 | 5,629 |
| Development and expansion capital | | 9,662 | 12,433 |
| Straight-line rent | | 746 | 363 |
| Dispositions | 5 | (16,211) | (12,757) |
| Change in fair value of properties | | (12,076) | (20,637) |
| End of the period | | \$ 2,231,184 | \$ 2,054,511 |

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

Valuation assumptions used to estimate the fair value of all the REIT's properties are as follows:

| | December 31, 2025 ¹ | December 31, 2024 ¹ |
|--------------------------------------|--------------------------------|--------------------------------|
| Capitalization rate range | 5.9% – 9.8% | 5.6% – 10.2% |
| Weighted average capitalization rate | 7.2 % | 7.2 % |

¹Includes the REIT's share of joint venture investments.

The following table presents the estimated change to the fair value of the REIT's properties when there is a decrease or increase to the capitalization rates as at December 31, 2025:

| (Decrease) Increase in capitalization rate | Change in fair value of properties ¹ |
|--|---|
| (1.00%) | \$ 396,835 |
| (0.75%) | 285,903 |
| (0.50%) | 183,384 |
| (0.25%) | 88,348 |
| 0.25% | (82,346) |
| 0.50% | (159,286) |
| 0.75% | (231,338) |
| 1.00% | (298,955) |

¹Includes the REIT's share of joint venture investments.

The following table presents the estimated change to the fair value of the REIT's properties when there is a decrease or increase to the REIT's stabilized net operating income as at December 31, 2025:

| (Decrease) Increase in stabilized net operating income | Change in fair value of properties ¹ |
|--|---|
| \$(100) | \$ (1,384) |
| \$100 | 1,384 |

¹Includes the REIT's share of joint venture investments.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024
(in thousands of United States dollars, unless otherwise stated)

7. JOINT VENTURE INVESTMENTS

The REIT accounts for its joint venture investments using the equity method. The table below summarizes the REIT's investment in joint ventures:

| Portfolio | State | December 31, 2025 | | December 31, 2024 | |
|-----------------------------|--------------------------------|----------------------|--------------------|----------------------|--------------------|
| | | Number of properties | Ownership interest | Number of properties | Ownership interest |
| Tom Thumb Portfolio | Texas, Florida, and California | NA | NA | 10 | 90% – 95% |
| Northeast Grocery Portfolio | New York and Indiana | 4 | 85% | 4 | 85% |
| Windmill Plaza | Michigan | 1 | 50% | 1 | 50% |

The change in the REIT's joint venture investments are as follows:

| | | | | December 31, 2025 | December 31, 2024 |
|--|---------------------|-----------------------------|-----------------|-------------------|-------------------|
| | Tom Thumb Portfolio | Northeast Grocery Portfolio | Windmill Plaza | Total | Total |
| Beginning of the period | \$ 58,387 | \$ 50,323 | \$ 3,719 | \$ 112,429 | \$ 107,101 |
| Contributions | 38,650 | 2,550 | — | 41,200 | 880 |
| Distributions | (1,882) | (427) | (600) | (2,909) | (4,287) |
| Share of income in joint venture investments | 3,141 | 7,081 | 492 | 10,714 | 8,735 |
| Acquisition | (98,296) | — | — | (98,296) | — |
| End of the period | \$ — | \$ 59,527 | \$ 3,611 | \$ 63,138 | \$ 112,429 |

Prior to the Acquisition, the REIT held a 90%–95% ownership interest in the Tom Thumb portfolio, which comprised 10 properties. Upon Acquisition, the REIT derecognized its previously held interest as a joint venture investment.

On November 6, 2025, the REIT repaid a mortgage totaling \$23.3 million, at the REIT's ownership interest, that was secured by one property within the Tom Thumb Portfolio.

On August 29, 2025, the REIT repaid a mortgage totaling \$11.5 million, at the REIT's ownership interest, that was secured by one property within the Tom Thumb Portfolio.

The financial position of the REIT's joint venture investments are as follows:

| | | | December 31, 2025 | December 31, 2024 |
|-------------------------------|-----------------------------|------------------|-------------------|-------------------|
| | Northeast Grocery Portfolio | Windmill Plaza | Total | Total |
| Assets | | | | |
| Properties | \$ 160,824 | \$ 20,600 | \$ 181,424 | \$ 356,218 |
| Current assets | 8,783 | 1,696 | 10,479 | 14,816 |
| Total assets | \$ 169,607 | \$ 22,296 | \$ 191,903 | \$ 371,034 |
| Liabilities | | | | |
| Non-current debt | \$ 43,578 | \$ — | \$ 43,578 | \$ 76,232 |
| Other non-current liabilities | 555 | 28 | 583 | 965 |
| Current debt | 52,468 | 14,005 | 66,473 | 157,549 |
| Other current liabilities | 2,974 | 1,041 | 4,015 | 6,888 |
| Total liabilities | \$ 99,575 | \$ 15,074 | \$ 114,649 | \$ 241,634 |
| Net assets at 100% | \$ 70,032 | \$ 7,222 | \$ 77,254 | \$ 129,400 |
| At the REIT's interest | \$ 59,527 | \$ 3,611 | \$ 63,138 | \$ 112,429 |

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024
(in thousands of United States dollars, unless otherwise stated)

The following is a summary of income of the REIT's joint venture investments:

| | Year ended December 31, | | | | | | | | | |
|--|-------------------------|--------------|-----------------------------|--------------|----------------|------------|-----------|---------------|-----------|--------------|
| | Tom Thumb Portfolio | | Northeast Grocery Portfolio | | Windmill Plaza | | | | | |
| | | | | | 2025 | 2024 | | | | |
| Rental revenue | \$ | 16,565 | \$ | 18,845 | \$ | 2,403 | \$ | 37,813 | \$ | 37,895 |
| Property operating expenses | | (5,350) | | (6,803) | | (931) | | (13,084) | | (13,493) |
| General and administrative expenses | | (658) | | (439) | | (59) | | (1,156) | | (1,139) |
| Interest and finance costs | | (3,682) | | (4,546) | | (480) | | (8,708) | | (8,831) |
| Change in fair value of financial instruments | | — | | (290) | | — | | (290) | | (394) |
| Change in fair value of properties | | (3,412) | | 1,563 | | 51 | | (1,798) | | (4,579) |
| Net income and comprehensive income at 100% | \$ | 3,463 | \$ | 8,330 | \$ | 984 | \$ | 12,777 | \$ | 9,459 |
| At the REIT's interest | \$ | 3,141 | \$ | 7,081 | \$ | 492 | \$ | 10,714 | \$ | 8,735 |

8. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

| | December 31, 2025 | December 31, 2024 |
|-------------------------|-------------------|-------------------|
| Rent receivable | \$ 12,217 | \$ 10,576 |
| Allowance | (2,278) | (2,002) |
| Accrued recovery income | 8,096 | 8,879 |
| Other receivables | 6,739 | 5,964 |
| Total | \$ 24,774 | \$ 23,417 |

Rent receivable consists of base rent and operating expense recoveries billed to tenants. Accrued recovery income represents amounts that have not been billed to the tenants and are generally billed and paid subsequent to the period in which they were incurred.

The change in the allowance for expected credit losses is as follows:

| | December 31, 2025 | December 31, 2024 |
|--------------------------|-------------------|-------------------|
| Beginning of the period | \$ (2,002) | \$ (1,171) |
| Allowance | (2,018) | (1,198) |
| Bad debt write-off | 1,439 | 121 |
| Bad debt recovery | 303 | 246 |
| End of the period | \$ (2,278) | \$ (2,002) |

The REIT measures the allowance at an amount equal to lifetime expected losses by taking into account past default experience and considering both current and potential bankruptcy, abandonment by tenants, and certain tenant disputes.

The aging analysis of rent receivable balances, net of allowance, is as follows:

| | December 31, 2025 | December 31, 2024 |
|----------------------|-------------------|-------------------|
| Current to 30 days | \$ 6,023 | \$ 4,788 |
| 31 to 60 days | 753 | 861 |
| 61 to 90 days | 209 | 22 |
| Greater than 90 days | 2,954 | 2,903 |
| Total | \$ 9,939 | \$ 8,574 |

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

9. INTEREST RATE SWAPS

The REIT has entered into certain pay-fixed, receive-float interest rate swap contracts to hedge the cash flow risk associated with monthly SOFR based interest payments on the REIT's floating rate debt.

The terms of the interest rate swaps are as follows:

| Maturity date | Remaining term (years) | Pay-fixed rate | Receive-floating rate | Notional amount |
|---------------------------------|------------------------|----------------|-----------------------|-------------------|
| July 22, 2027 | 1.6 | 3.438 % | One-month SOFR | \$ 137,500 |
| July 22, 2027 | 1.6 | 3.615 % | One-month SOFR | 137,500 |
| August 1, 2028 | 2.6 | 3.540 % | One-month SOFR | 9,000 |
| August 22, 2028 | 2.6 | 3.355 % | One-month SOFR | 175,000 |
| August 22, 2028 | 2.6 | 3.465 % | One-month SOFR | 175,000 |
| June 1, 2030 | 4.4 | 3.738 % | One-month SOFR | 39,300 |
| Total / Weighted average | 2.3 | 3.478 % | | \$ 673,300 |

On August 8, 2025, the REIT entered into a \$9.0 million pay-fixed, receive-float interest swap contract to hedge the cash flow risk associated with a \$9.0 million asset refinancing (note 10) and its monthly SOFR-based interest payments. The REIT has applied hedge accounting for the interest swap contract as a cash flow hedge, with changes in fair value recognized in other comprehensive income.

On July 1, 2025, the REIT amended its \$137.5 million interest rate swap with a pay-fixed rate of 2.400% and a maturity date of July 22, 2027. The amendment adjusted the pay-fixed rate to 3.438% and removed a one-time cancellation option that was exercisable on July 24, 2025. There were no changes to the swap's notional amount. As a result of the amendment, the \$0.2 million cash flow hedge reserve related to the derecognized swap contract was reclassified from other comprehensive income into net income. The REIT has applied hedge accounting for the amended swap contract as a cash flow hedge, with changes in fair value recognized in other comprehensive income.

On July 1, 2025, the REIT amended its \$175.0 million interest rate swap with a pay-fixed rate of 2.822% and a maturity date of August 22, 2025. The amendment adjusted the pay-fixed rate to 3.355% and the maturity to August 22, 2028. There were no changes to the swap's notional amount. As a result of the amendment, the \$0.4 million cash flow hedge reserve related to the derecognized swap contract was reclassified from other comprehensive income into net income. The REIT has applied hedge accounting for the amended swap contract as a cash flow hedge, with changes in fair value recognized in other comprehensive income.

On June 5, 2025, the REIT entered into a \$39.3 million pay-fixed, receive-float interest swap contract to hedge the cash flow risk associated with a \$39.3 million portfolio refinancing (note 10) and its monthly SOFR-based interest payments. The REIT has applied hedge accounting for the interest swap contract as a cash flow hedge, with changes in fair value recognized in other comprehensive income.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024
(in thousands of United States dollars, unless otherwise stated)

A reconciliation of the change in the fair value of the interest rate swaps and related deferred tax impact is as follows:

| | Note | Fair value of interest rate swaps | Deferred income tax (expense) recovery | Net impact after tax |
|---|------|-----------------------------------|--|----------------------|
| Balance, December 31, 2024 | | \$ 7,673 | \$ (1,964) | \$ 5,709 |
| Change in fair value of effective hedges of interest rate risk | | (3,012) | 771 | (2,241) |
| Change in fair value of financial instrument through profit or loss | | (1,158) | 296 | (862) |
| Net payments received on effective hedges of interest rate risk | 18 | (5,269) | 1,348 | (3,921) |
| Net payments received on financial instruments through profit or loss | 18 | (889) | 227 | (662) |
| Balance, December 31, 2025 | | \$ (2,655) | \$ 678 | \$ (1,977) |

| | Note | Fair value of interest rate swaps | Deferred income tax (expense) recovery | Net impact after tax |
|---|------|-----------------------------------|--|----------------------|
| Balance, December 31, 2023 | | \$ 7,652 | \$ (1,959) | \$ 5,693 |
| Change in fair value of effective hedges of interest rate risk | | 9,703 | (2,483) | 7,220 |
| Change in fair value of financial instrument through profit or loss | | 3,530 | (903) | 2,627 |
| Net payments received on effective hedges of interest rate risk | 18 | (11,007) | 2,817 | (8,190) |
| Net payments received on financial instruments through profit or loss | 18 | (2,205) | 564 | (1,641) |
| Balance, December 31, 2024 | | \$ 7,673 | \$ (1,964) | \$ 5,709 |

10. DEBT

Debt balances held by the REIT at December 31, 2025 and December 31, 2024 are as follows:

| December 31, 2025 | Maturity | Interest rate | Properties provided as security | Fair value of security | Maximum available | Principal | Available to be drawn ¹ |
|------------------------|------------------|--------------------------|---------------------------------|------------------------|---------------------|------------------|------------------------------------|
| Revolver ¹² | January 14, 2028 | S+175 bps ^{3,4} | N/A ⁵ | N/A ⁵ | \$ 275,000 | \$ 265,021 | \$ 9,979 |
| Term loan | July 15, 2027 | S+160 bps ^{3,4} | N/A ⁵ | N/A ⁵ | 275,000 | 275,000 | — |
| Term loan 2 | January 14, 2028 | S+165 bps ^{3,4} | N/A ⁵ | N/A ⁵ | 225,000 | 225,000 | — |
| Mortgage | January 11, 2026 | 4.61% | 7 | 99,200 | 70,285 | 70,285 | — |
| Mortgage | April 11, 2027 | DS+220 bps ³ | 1 | 20,333 | 17,350 | 16,492 | 858 |
| Mortgage | December 1, 2029 | 6.40% | 10 | 142,000 | 100,500 | 100,500 | — |
| Mortgage | January 1, 2030 | 5.51% | 2 | 56,800 | 32,594 | 32,594 | — |
| Mortgage | March 18, 2030 | 3.48% | 8 | 157,600 | 73,383 | 73,383 | — |
| Mortgage ⁶ | June 4, 2030 | S+175 bps ³ | 4 | 72,400 | 39,300 | 39,300 | — |
| Mortgage | August 7, 2030 | S+165 bps ³ | 1 | 13,556 | 9,000 | 9,000 | — |
| Mortgage | January 1, 2031 | 5.50% | 1 | 23,800 | 4,019 | 4,019 | — |
| Mortgage | May 1, 2031 | 3.75% | 19 | 321,800 | 152,811 | 152,811 | — |
| Mortgage | February 1, 2033 | 5.50% | 5 | 101,900 | 54,585 | 54,585 | — |
| Total | | | | \$ 1,328,827 | \$ 1,317,990 | \$ 10,837 | |

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024
(in thousands of United States dollars, unless otherwise stated)

| December 31, 2024 | Maturity | Interest rate | Properties provided as security | Fair value of security | Maximum available | Principal | Available to be drawn ¹ |
|------------------------|------------------|--------------------------|---------------------------------|------------------------|---------------------|---------------------|------------------------------------|
| Revolver ¹² | January 14, 2028 | S+175 bps ^{3,4} | N/A ⁵ | N/A ⁵ | \$ 275,000 | \$ 220,771 | \$ 54,229 |
| Term loan | July 15, 2027 | S+160 bps ^{3,4} | N/A ⁵ | N/A ⁵ | 275,000 | 275,000 | — |
| Term loan 2 | January 14, 2028 | S+165 bps ^{3,4} | N/A ⁵ | N/A ⁵ | 225,000 | 225,000 | — |
| Mortgage | July 1, 2025 | 4.14% | 5 | 78,800 | 31,004 | 31,004 | — |
| Mortgage | August 1, 2025 | 4.43% | 1 | 13,333 | 7,700 | 7,700 | — |
| Mortgage | December 1, 2029 | 6.40% | 10 | 140,667 | 100,500 | 100,500 | — |
| Mortgage | January 1, 2030 | 5.51% | 2 | 57,800 | 33,000 | 33,000 | — |
| Mortgage | March 18, 2030 | 3.48% | 8 | 153,400 | 75,268 | 75,268 | — |
| Mortgage | January 1, 2031 | 5.50% | 1 | 24,000 | 4,686 | 4,686 | — |
| Mortgage | May 1, 2031 | 3.75% | 19 | 320,800 | 156,397 | 156,397 | — |
| Mortgage | February 1, 2033 | 5.50% | 5 | 102,300 | 55,374 | 55,374 | — |
| Total | | | | | \$ 1,238,929 | \$ 1,184,700 | \$ 54,229 |

¹ Debt available to be drawn is subject to certain calculations, as provided by the REIT's lending agreements.

² The revolver requires a stand-by fee to be paid in an amount equal to 0.25% of the unused portion of the revolver where the unused portion is greater than or equal to 50% of the maximum amount available and 0.15% of the unused portion of the revolver where the unused portion is less than 50% of the maximum amount available, calculated daily.

³ 'S' means one-month SOFR, 'DS' means daily SOFR, and 'bps' means basis points.

⁴ The applicable spread for the revolver where the total indebtedness to gross asset value (the "consolidated leverage ratio") is: (i) less than or equal to 45% is 145 bps; (ii) greater than 45% but less than or equal to 50% is 155 bps; (iii) greater than 50% but less than or equal to 55% is 175 bps (iv) greater than 55% but less than or equal to 60% is 200 bps; and (v) greater than 60% is 220 bps, and includes a 10 bps SOFR index adjustment. The applicable spread for the term loan where the consolidated leverage ratio is: (i) less than or equal to 45% is 135 bps; (ii) greater than 45% but less than or equal to 50% is 150 bps; (iii) greater than 50% but less than or equal to 55% is 160 bps (iv) greater than 55% but less than or equal to 60% is 185 bps; and (v) greater than 60% is 205 bps, and includes a 10 bps SOFR index adjustment. The applicable spread for the term loan 2 where the consolidated leverage ratio is: (i) less than or equal to 45% is 135 bps; (ii) greater than 45% but less than or equal to 50% is 150 bps; (iii) greater than 50% but less than or equal to 55% is 165 bps (iv) greater than 55% but less than or equal to 60% is 190 bps; and (v) greater than 60% is 210 bps, and includes a 10 bps SOFR index adjustment.

⁵ Debt is secured by a general pledge of equity of certain subsidiaries of the REIT. Collectively, those subsidiaries hold an interest in 50 of the REIT's properties at December 31, 2025 (December 31, 2024 - 50).

⁶ Maturity date excludes two 12-month extension options exercisable at the REIT's option.

The carrying value of debt held by the REIT at December 31, 2025 is as follows:

| | Interest rate ¹ | Principal | Deferred financing costs and mark-to-market ("MTM") adjustments | Accumulated amortization of costs and MTM adjustments | Carrying amount | Current | Non-current |
|--------------------------|----------------------------|---------------------|---|---|---------------------|------------------|---------------------|
| Revolver ¹ | 5.44% | \$ 265,021 | \$ (3,718) | \$ 1,394 | \$ 262,697 | \$ — | \$ 262,697 |
| Term loan ¹ | 5.29% | 275,000 | (5,381) | 3,622 | 273,241 | — | 273,241 |
| Term loan 2 ¹ | 5.34% | 225,000 | (3,006) | 1,127 | 223,121 | — | 223,121 |
| Mortgage | 4.61% | 70,285 | 4,059 | (4,059) | 70,285 | 70,285 | — |
| Mortgage ¹ | 6.07% | 16,492 | (622) | 233 | 16,103 | — | 16,103 |
| Mortgage | 6.40% | 100,500 | (5,175) | 1,207 | 96,532 | — | 96,532 |
| Mortgage | 5.51% | 32,594 | (588) | 118 | 32,124 | 467 | 31,657 |
| Mortgage | 3.48% | 73,383 | (1,562) | 898 | 72,719 | 1,952 | 70,767 |
| Mortgage ¹ | 5.44% | 39,300 | (873) | 87 | 38,514 | — | 38,514 |
| Mortgage ¹ | 5.34% | 9,000 | (175) | 12 | 8,837 | — | 8,837 |
| Mortgage | 5.50% | 4,019 | 127 | (57) | 4,089 | 705 | 3,384 |
| Mortgage | 3.75% | 152,811 | (3,133) | 1,582 | 151,260 | 3,723 | 147,537 |
| Mortgage | 5.50% | 54,585 | (929) | 278 | 53,934 | 834 | 53,100 |
| Total | | \$ 1,317,990 | \$ (20,976) | \$ 6,442 | \$ 1,303,456 | \$ 77,966 | \$ 1,225,490 |

¹ The revolver, term loan, term loan 2, and floating-rate mortgage interest rates are based on the applicable SOFR as at December 31, 2025.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024
(in thousands of United States dollars, unless otherwise stated)

The carrying value of debt held by the REIT at December 31, 2024 is as follows:

| | Interest rate ¹ | Principal | Deferred financing costs and MTM adjustments | Accumulated amortization of costs and MTM adjustments | Carrying amount | Current | Non-current |
|--------------|----------------------------|---------------------|--|---|---------------------|------------------|---------------------|
| Revolver | 6.08% | \$ 220,771 | \$ (3,718) | \$ 279 | \$ 217,332 | \$ — | \$ 217,332 |
| Term loan | 5.93% | 275,000 | (5,381) | 2,539 | 272,158 | — | 272,158 |
| Term loan 2 | 5.98% | 225,000 | (3,006) | 225 | 222,219 | — | 222,219 |
| Mortgage | 4.14% | 31,004 | (1,079) | 1,030 | 30,955 | 30,955 | — |
| Mortgage | 4.43% | 7,700 | 78 | (66) | 7,712 | 7,712 | — |
| Mortgage | 6.40% | 100,500 | (5,175) | 172 | 95,497 | — | 95,497 |
| Mortgage | 5.51% | 33,000 | (588) | 10 | 32,422 | 444 | 31,978 |
| Mortgage | 3.48% | 75,268 | (1,562) | 732 | 74,438 | 1,885 | 72,553 |
| Mortgage | 5.50% | 4,686 | 127 | (47) | 4,766 | 667 | 4,099 |
| Mortgage | 3.75% | 156,397 | (3,133) | 1,266 | 154,530 | 3,586 | 150,944 |
| Mortgage | 5.50% | 55,374 | (929) | 181 | 54,626 | 790 | 53,836 |
| Total | | \$ 1,184,700 | \$ (24,366) | \$ 6,321 | \$ 1,166,655 | \$ 46,039 | \$ 1,120,616 |

¹ The revolver, term loan, and term loan 2 interest rates are based on the applicable one-month SOFR as at December 31, 2024.

In connection with the Acquisition on December 1, 2025, the REIT recorded a \$81.4 million mortgage bearing interest at 4.61% and maturing on January 11, 2026. Subsequent to the disposition of Flower Mound Crossing on December 9, 2025, the REIT repaid \$11.0 million of the mortgage's outstanding balance.

On August 8, 2025, the REIT entered into a \$9.0 million mortgage, secured by one property, bearing interest at one-month SOFR plus an applicable spread of 165 bps and maturing on August 7, 2030.

On June 5, 2025, the REIT entered into a \$39.3 million mortgage, secured by four properties, bearing interest at one-month SOFR plus an applicable spread of 175 bps and maturing on June 4, 2030, with two twelve-month extension options available. In connection with the refinancing, the REIT removed one property from the existing secured portfolio.

On April 11, 2025, the REIT entered into a mortgage for a total facility amount of \$17.4 million, of which \$11.6 million was advanced upon closing on a gross basis. The mortgage, secured by one property, bears interest at daily SOFR plus 220 bps and matures on April 11, 2027.

On December 13, 2024, the REIT entered into a \$33.0 million mortgage, which is secured by two properties, bearing interest at 5.51% and maturing on January 1, 2030. The proceeds of the mortgage were used to repay a portion of the existing mortgage on the portfolio. In connection with the repayment, the REIT transferred one property in the existing portfolio to the Revolver and term loans pool.

On November 20, 2024, the REIT entered into a \$100.5 million mortgage, secured by a portfolio of ten properties, bearing interest at 6.40% and maturing on December 1, 2029. The proceeds of the mortgage were used to repay a portion of the existing mortgage on the portfolio. In connection with the repayment, the REIT removed one property from the existing secured portfolio.

On October 21, 2024, the REIT refinanced its Revolver and Term loan 2 (collectively, the "Facility") for an aggregate principal amount of \$275.0 million and \$225.0 million, respectively. The Facility has a maturity date of January 14, 2028, and pays an interest rate of one-month SOFR plus an applicable spread based on a consolidated leverage ratio. The applicable spreads for the Revolver and Term loan 2 are 175 bps and 165 bps, respectively.

11. INCOME TAXES

The REIT is subject to U.S. federal income taxation on its allocable share of rental income derived directly or indirectly through such subsidiary limited partnerships and corporations on a net basis, taking into account allowable deductions. Investment L.P. is subject to a combined federal and state income tax rate of 25.59% (December 31, 2024 – 25.59%). Investment Inc. is subject to a combined federal and state income tax rate of 25.12% (December 31, 2024 – 25.12%). To the extent U.S. taxes are paid by Investment L.P. and Investments Inc., such amounts will be creditable against an investor's Canadian federal income tax liability to the extent permitted by Canadian tax law.

Total taxes paid for the year ended December 31, 2025 were \$2.3 million (year ended December 31, 2024 – \$2.7 million). Branch profit tax is tax imposed on U.S. earned income that is repatriated to Canada.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

The loss carry-forwards and the tax effects of temporary differences that give rise to the recognition of deferred tax assets and liabilities is as follows:

| | December 31, 2025 | December 31, 2024 |
|--------------------------------------|-------------------|-------------------|
| Deferred tax assets | | |
| Deferred financing costs | \$ 131 | \$ 115 |
| Loss carry-forwards | 2,145 | 3,566 |
| | \$ 2,276 | \$ 3,681 |
| Deferred tax liabilities | | |
| Financial instruments | \$ 414 | \$ 3,243 |
| Properties | 141,761 | 135,811 |
| Joint venture investments | 17,312 | 18,207 |
| | \$ 159,487 | \$ 157,261 |
| Deferred tax liabilities, net | \$ 157,211 | \$ 153,580 |

The following is a reconciliation of deferred tax liabilities during the period:

| | December 31, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| Beginning of the period | \$ 153,580 | \$ 146,651 |
| Deferred tax recovery recorded in accumulated other comprehensive income | (2,486) | (531) |
| Deferred tax expense | 6,117 | 7,460 |
| End of the period | \$ 157,211 | \$ 153,580 |

A reconciliation between the expected income taxes based upon the statutory rates and the income tax expense recognized during the period is as follows:

| | Year ended December 31, | |
|--|-------------------------|-----------------|
| | 2025 | 2024 |
| Net income before income taxes and unit expense | \$ 62,613 | \$ 60,256 |
| Expected income tax expense at Canadian statutory tax rates of 26.5% | \$ 16,592 | \$ 15,968 |
| Income not subject to tax | (9,933) | (7,989) |
| Branch profit tax | 1,790 | 2,275 |
| Net effect of change in tax rates and differentials | (547) | (537) |
| Other items | (1,297) | (1,441) |
| Current and deferred income tax expense | \$ 6,605 | \$ 8,276 |

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

| | December 31, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| Accounts payable and accrued liabilities | \$ 14,690 | \$ 17,732 |
| Prepaid rent | 8,275 | 8,468 |
| Tenant improvements payable | 6,088 | 6,582 |
| Other payables | 10,827 | 9,289 |
| Total | \$ 39,880 | \$ 42,071 |

Included in accounts payable and accrued liabilities are operating expenses, property taxes, and capital and leasing expenses. Other payables include security deposits, trustee fees, accrued interest payable, branch profit tax payable, and other non-operating items.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024
(in thousands of United States dollars, unless otherwise stated)

13. EXCHANGEABLE UNITS OF SUBSIDIARIES

The change in the total exchangeable units of subsidiaries and carrying amount are as follows:

| | Note | December 31, 2025 | | December 31, 2024 | |
|--------------------------|------|--------------------|-----------------|--------------------|-----------------|
| | | Exchangeable Units | Value | Exchangeable Units | Value |
| Beginning of the period | | 907 | \$ 8,733 | 907 | \$ 8,269 |
| Exchanged | | (132) | (1,390) | — | — |
| Change in fair value | 19 | — | 1,269 | — | 464 |
| End of the period | | 775 | \$ 8,612 | 907 | \$ 8,733 |

14. REIT UNITS

As at December 31, 2025, the REIT has the following REIT units issued and outstanding, in thousands of units:

| | Class A | Class I | Class U |
|------------------------|-----------|-----------|-----------|
| Authorized for issue | Unlimited | Unlimited | Unlimited |
| Issued and outstanding | 104 | 10 | 59,148 |

Each REIT unit confers the right to one vote at any meetings of REIT unitholders. The REIT is also authorized to issue an unlimited number of special voting units. Special voting units are only issued in tandem with the issuance of securities redeemable for or exchangeable into REIT units. The special voting units do not have any economic entitlement in the REIT with respect to distributions but provide the holder with the same voting rights in the REIT as a holder of REIT units.

Each REIT unit entitles the holder to the same rights and obligations as any other REIT unitholder and no REIT unitholder is entitled to any privilege, priority or preference in relation to any other holder of REIT units of class A units, class I units, and class U units of the REIT to participate in distributions made by the REIT including distributions of net income, net realized capital gains or other amounts and, in the event of termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. REIT units will be fully paid and non-assessable when issued and are transferable.

The REIT's Declaration of Trust grants holders of class A units and class I units of the REIT the right to convert all or any portion of their class A units and class I units of the REIT, at any time (the "conversion date"), into class U units by giving written notice to the REIT. On the applicable conversion date, the REIT will deliver to the class A unitholder or class I unitholder the applicable number of class U units for each class A unit or class I unit converted by such unitholder.

With certain restrictions, the unitholders have the right to require the REIT to redeem their units on demand. Upon receipt of the redemption notice by the REIT, all rights to and under the units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per unit as determined by a market formula and shall be paid in accordance with the conditions provided for in the Declaration of Trust.

At the Market Program

On March 30, 2022, the REIT established an at the market equity program ("ATM program") that allowed the REIT to issue, at its discretion, up to \$150.0 million of class U units of the REIT to the public from time to time through an agent. Distributions pursuant to the ATM program were made in accordance with the terms of an equity distribution agreement dated March 30, 2022 entered into among the REIT and the agent. The ATM program was effective until April 28, 2024 and was not renewed thereafter. For the years ended December 31, 2025 and 2024, no units were issued under the ATM program.

Normal course issuer bid

On January 27, 2025, the REIT renewed its normal course issuer bid ("NCIB"), effective from February 3, 2025 until January 30, 2026, pursuant to which it could repurchase and cancel up to 5.5 million class U units of the REIT. The NCIB was not renewed upon expiration and for the years ended December 31, 2025 and 2024, no class U units were purchased and subsequently canceled under the NCIB.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

Weighted average class U units outstanding

The following is the weighted average number of class U units outstanding on a fully diluted basis, in thousands of units:

| | Year ended December 31, | |
|------------------------------------|-------------------------|---------------|
| | 2025 | 2024 |
| Class U units | 59,050 | 59,003 |
| Class A units | 110 | 115 |
| Class I units | 10 | 12 |
| Exchangeable units of subsidiaries | 867 | 907 |
| Deferred units | 374 | 300 |
| Total | 60,411 | 60,337 |

Class U units outstanding

The following is the total number of class U units outstanding, if all other units of the REIT, its subsidiaries, and its deferred unit plans ("DUP"), were converted or exchanged, as applicable, for class U units of the REIT, in thousands of units:

| | December 31, 2025 | December 31, 2024 |
|------------------------------------|-------------------|-------------------|
| Class U units | 59,148 | 59,009 |
| Class A units | 104 | 111 |
| Class I units | 10 | 10 |
| Exchangeable units of subsidiaries | 775 | 907 |
| Deferred units | 407 | 341 |
| Total | 60,444 | 60,378 |

Unit distributions

Pursuant to the Declaration of Trust, the income of the REIT is distributed on dates and in amounts as determined by the board of trustees.

The following table summarizes the REIT's distributions and reconciliation to distributions paid or settled:

| | Year ended December 31, | |
|--|-------------------------|------------------|
| | 2025 | 2024 |
| Declared | | |
| REIT unit distributions | \$ 51,126 | \$ 51,088 |
| Exchangeable units of subsidiaries distributions | 746 | 784 |
| | \$ 51,872 | \$ 51,872 |
| Add: Distributions payable, beginning of period | 4,323 | 4,323 |
| Less: Distributions payable, end of period | (4,323) | (4,323) |
| Distributions paid | \$ 51,872 | \$ 51,872 |

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

Deferred unit plans

The change in deferred units is as follows, in thousands of units:

| | Year ended December 31, | |
|----------------------------|-------------------------|-----------------|
| | 2025 | 2024 |
| Beginning of the period | 341 | 264 |
| Reinvested distributions | 30 | 29 |
| Issued | 40 | 48 |
| Redeemed | (4) | — |
| End of the period | 407 | 341 |
| Fair value of units | \$ 4,522 | \$ 3,280 |

15. NON-CONTROLLING INTEREST

The REIT has an established partnership with the North America Essential Fund ("NA Essential Fund"), a vehicle with management services provided by the Manager. The NA Essential Fund made an initial cash investment of \$180.0 million indirectly into the REIT's assets through the purchase of an 18.37% partnership interest in two of the REIT's subsidiaries, LP1 and SGIUSLP. The non-controlling interest in SGIUSLP includes the proportionate interest in the Tops Portfolio, a grocery anchored portfolio comprising 11 properties and 1.6 million square feet in major metro markets in New York, Ohio, and Georgia.

| Primary Investment | Number of properties | December 31, 2025 | December 31, 2024 |
|--------------------|----------------------|-------------------|-------------------|
| LP1, SGIUSLP | 115 | 18.4 % | 18.4 % |
| Tops Portfolio | 11 | 10.0 % | 10.0 % |

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

The REIT measures non-controlling interests in its subsidiaries at cost. The net assets attributable to the non-controlling interest and the REIT are as follows:

| | December 31, 2025 | December 31, 2024 |
|-----------------------------------|---------------------|---------------------|
| Assets | | |
| Properties | \$ 2,230,364 | \$ 2,053,687 |
| Other non-current assets | 66,513 | 120,737 |
| Current assets | 58,213 | 52,285 |
| Total assets | \$ 2,355,090 | \$ 2,226,709 |
| Liabilities | | |
| Non-current debt | \$ 1,225,490 | \$ 1,120,616 |
| Other non-current liabilities | 23,165 | 20,093 |
| Current debt | 77,966 | 46,039 |
| Current liabilities | 34,457 | 31,872 |
| Total liabilities | \$ 1,361,078 | \$ 1,218,620 |
| Net assets | \$ 994,012 | \$ 1,008,089 |
| Net assets attributable to | | |
| Unitholders of the REIT | \$ 816,986 | \$ 827,604 |
| Non-controlling interest | \$ 177,026 | \$ 180,485 |

The income attributable to the non-controlling interest and the REIT is as follows:

| | Year ended December 31, | |
|--|-------------------------|------------------|
| | 2025 | 2024 |
| Rental revenue | \$ 213,369 | \$ 209,135 |
| Property operating expenses | (65,797) | (64,625) |
| General and administrative expenses | (12,679) | (12,310) |
| Interest and finance costs | (64,902) | (57,128) |
| Disposition costs | (680) | (388) |
| Change in fair value of properties | (12,076) | (20,637) |
| Share of income in joint venture investments | 10,714 | 8,735 |
| Change in fair value of financial instruments | (1,383) | 1,325 |
| Net income | \$ 66,566 | \$ 64,107 |
| Items to be subsequently reclassified to profit or loss | | |
| (Loss) gain on effective hedges of interest rate risk | (3,012) | 9,703 |
| Reclassification of other comprehensive income reserve to profit or loss | (1,431) | (768) |
| Reclassification of effective hedges of interest rate risk to profit or loss | (5,269) | (11,006) |
| Other comprehensive loss | (9,712) | (2,071) |
| Comprehensive income | \$ 56,854 | \$ 62,036 |
| Comprehensive income attributable to | | |
| Unitholders of the REIT | \$ 46,016 | \$ 50,102 |
| Non-controlling interest | \$ 10,838 | \$ 11,934 |

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

16. REVENUE

Revenue consists of the following:

| | Year ended December 31, | |
|---------------------------------------|-------------------------|-------------------|
| | 2025 | 2024 |
| Rental revenue | \$ 156,778 | \$ 153,313 |
| Common area maintenance recoveries | 22,520 | 20,980 |
| Property tax and insurance recoveries | 28,429 | 28,676 |
| Percentage rent | 1,067 | 886 |
| Other revenue ¹ | 4,575 | 5,280 |
| Total | \$ 213,369 | \$ 209,135 |

¹ Other revenue includes straight-line rent, ground rent, termination fees, storage rent, and other non-rental income.

The REIT enters into long-term lease contracts with tenants for space in the REIT's properties. Leases generally provide for the tenant to pay base rent, with provisions for contractual increases in base rent over the term of the lease, plus operating costs and property tax recoveries. Certain leases have limitations or escalation restrictions on the amount of recoveries or cost reimbursements, which the tenant is obligated to pay regardless of the actual costs incurred by the REIT to operate and maintain the properties.

The REIT's existing leases have a weighted average outstanding term of 4.3 years (December 31, 2024 – 4.7 years) in which certain leases include clauses to enable periodic increases in rental rates.

The future minimum lease payments from the REIT's non-cancellable operating leases as a lessor are as follows:

| | December 31, 2025 |
|--|-------------------|
| In one year or less | \$ 166,101 |
| In more than one year but not more than five years | 385,736 |
| In more than five years | 161,456 |
| Total¹ | \$ 713,293 |

¹ Includes the REIT's share of joint venture investments.

17. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consists of the following:

| | Note | Year ended December 31, | |
|------------------------------|------|-------------------------|------------------|
| | | 2025 | 2024 |
| Asset management fees | 23 | \$ 9,231 | \$ 9,113 |
| Professional fees and other | | 5,731 | 5,362 |
| Bad debt expense | | 1,407 | 1,313 |
| Franchise and business taxes | | 262 | 388 |
| Total | | \$ 16,631 | \$ 16,176 |

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

18. INTEREST AND FINANCE COSTS

Interest and finance costs consists of the following:

| | Note | Year ended December 31, | |
|---|------|-------------------------|------------------|
| | | 2025 | 2024 |
| Interest on debt and finance charges | | \$ 67,250 | \$ 68,211 |
| Interest rate swaps, net settlement | 9 | (6,158) | (13,212) |
| Interest income | | (488) | (276) |
| Amortization of finance charges and MTM premium | 24 | 5,154 | 3,246 |
| Amortization of gain on financial instrument | 9 | (768) | (768) |
| Amortization of deferred gain on TIF notes | | (87) | (88) |
| Total | | \$ 64,903 | \$ 57,113 |

19. UNIT EXPENSE

Unit expense consists of the following:

| | Note | Year ended December 31, | |
|--|------|-------------------------|-------------------|
| | | 2025 | 2024 |
| Exchangeable units of subsidiaries distributions | 14 | \$ (746) | \$ (784) |
| Change in fair value of DUP | 14 | (542) | (138) |
| Change in fair value of exchangeable units of subsidiaries | 13 | (1,269) | (464) |
| Total | | \$ (2,557) | \$ (1,386) |

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

20. FAIR VALUES

Except as noted, the carrying value of financial assets and financial liabilities including cash, accounts receivable, funds held in escrow, accounts payable and accrued liabilities, distributions payable, and rental security deposits recorded within other liabilities, approximate their fair values because of the short period until receipt or payment of cash.

The carrying amounts and fair value hierarchy of the REIT's financial instruments are as follows:

| December 31, 2025 | Carrying amount | Fair Value | | | Total |
|------------------------------------|---------------------|-----------------|---------------------|---------------|---------------------|
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets | | | | | |
| TIF notes receivable | \$ 377 | \$ — | \$ — | \$ 485 | \$ 485 |
| Total financial assets | \$ 377 | \$ — | \$ — | \$ 485 | \$ 485 |
| Financial liabilities | | | | | |
| Interest rate swaps | \$ 2,655 | \$ — | \$ 2,655 | \$ — | \$ 2,655 |
| Revolver | 262,697 | — | 265,021 | — | 265,021 |
| Term loan | 273,241 | — | 275,000 | — | 275,000 |
| Term loan 2 | 223,121 | — | 225,000 | — | 225,000 |
| Mortgages | 544,397 | — | 535,660 | — | 535,660 |
| Exchangeable units of subsidiaries | 8,612 | 8,612 | — | — | 8,612 |
| Total financial liabilities | \$ 1,314,723 | \$ 8,612 | \$ 1,303,336 | \$ — | \$ 1,311,948 |

| December 31, 2024 | Carrying amount | Fair Value | | | Total |
|------------------------------------|---------------------|-----------------|---------------------|---------------|---------------------|
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets | | | | | |
| Interest rate swaps | \$ 7,673 | \$ — | \$ 7,673 | \$ — | \$ 7,673 |
| TIF notes receivable | 677 | — | — | 810 | 810 |
| Total financial assets | \$ 8,350 | \$ — | \$ 7,673 | \$ 810 | \$ 8,483 |
| Financial liabilities | | | | | |
| Revolver | \$ 217,332 | \$ — | \$ 220,771 | \$ — | \$ 220,771 |
| Term loan | 272,158 | — | 275,000 | — | 275,000 |
| Term loan 2 | 222,219 | — | 225,000 | — | 225,000 |
| Mortgages | 454,946 | — | 427,258 | — | 427,258 |
| Exchangeable units of subsidiaries | 8,733 | 8,733 | — | — | 8,733 |
| Total financial liabilities | \$ 1,175,388 | \$ 8,733 | \$ 1,148,029 | \$ — | \$ 1,156,762 |

21. CAPITAL MANAGEMENT

The REIT's capital management objectives are to:

- i. ensure compliance with the REIT's Declaration of Trust;
- ii. ensure compliance with restrictions in debt agreements; and
- iii. provide sufficient liquidity to operate the REIT's properties, fund obligations as they become due and build unitholder value.

Procedures to monitor compliance with the Declaration of Trust and debt agreements are performed as a part of the overall management of operations and periodically by review of the REIT's board of trustees and reporting to the REIT's lender. In order to maintain or adjust the capital structure, the REIT may issue trust units, debentures, or mortgage debt, adjust the amount of distributions paid to unitholders, return capital to unitholders, or reduce or increase debt.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024
(in thousands of United States dollars, unless otherwise stated)

The REIT considers its debt and equity instruments to be its capital as follows:

| | Note | December 31, 2025 | December 31, 2024 |
|------------------------------------|------|---------------------|---------------------|
| Debt | 10 | \$ 1,303,456 | \$ 1,166,655 |
| Exchangeable units of subsidiaries | 13 | 8,612 | 8,733 |
| Equity | | 836,150 | 853,959 |
| Total | | \$ 2,148,218 | \$ 2,029,347 |

The Declaration of Trust provides that the REIT is not permitted to exceed financial leverage in excess of 60% of gross book value, as defined by the Declaration of Trust, and is calculated as follows:

| | Note | December 31, 2025 | December 31, 2024 |
|-----------------------|------|-------------------|-------------------|
| Gross book value | | \$ 2,357,080 | \$ 2,233,699 |
| Debt | 10 | 1,303,456 | 1,166,655 |
| Leverage ratio | | 55.3 % | 52.2% |

Additional investment and operating guidelines are provided for by the Declaration of Trust. The REIT is in compliance with these guidelines.

The REIT's revolver and term loans are subject to financial and other covenants. The following are the primary financial covenants, with all terms defined by the respective lending agreement:

| | Threshold | December 31, 2025 | December 31, 2024 |
|---|-----------|-------------------|-------------------|
| Maximum leverage ratio: consolidated total indebtedness shall not exceed 60% of gross asset value | < 60% | 53.3% | 53.4% |
| Minimum fixed charge coverage ratio: adjusted EBITDA to consolidated fixed charges shall not be less than 1.5x ¹ | > 1.5x | 1.9x | 2.0x |

¹ Adjusted EBITDA and consolidated fixed charges are defined by the Third Amended and Restated Credit Agreement for the revolver and term loan 2, as well as the Second Amended Credit Agreement for the term loan, and are calculated on a trailing twelve-month basis.

As at December 31, 2025 and 2024, the REIT is in compliance with all of its applicable financial covenants.

22. RISK MANAGEMENT

The REIT's risk management policies are established to identify, analyze, and manage the risks faced by the REIT and to implement appropriate procedures to monitor risks and adherence to established controls. Risk management policies and systems are reviewed periodically in response to the REIT's activities and to ensure applicability.

In the normal course of business, the main risks arising from the REIT's use of financial instruments include credit risk, liquidity risk, and market risk. These risks, and the actions taken to manage them, include:

i. Credit risk

Credit risk is the risk of financial loss to the REIT associated with the failure of a tenant or other party to meet its contractual obligations related to lease agreements, including future lease payments, loan arrangements and TIF notes receivables. This risk is mitigated by diversifying the REIT's tenant base through the limitation of concentration in individual tenants and geographical areas. In addition, the risk is mitigated by carrying out appropriate credit checks and related due diligence on any significant tenants.

As of December 31, 2025, one individual tenant accounted for 5.8% (December 31, 2024 – 5.8%) of the REIT's base rent.

ii. Liquidity risk

Liquidity risk is the risk that the REIT will not be able to meet its financial obligations as they fall due. The REIT's approach to managing liquidity is to ensure sufficient financial resources are available to meet its liabilities as they become due. This includes monitoring of cash, current receivables, current payables, and non-current liabilities as they become current.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to the demand for and the perceived desirability of such investments. Such illiquidity can limit the REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the REIT were required to liquidate a real property investment promptly, the proceeds to the REIT might be significantly less than the aggregate carrying value of such property.

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

The REIT's contractual commitments as at December 31, 2025 are as follows:

| | Total contractual cash flow | 2026 | 2027-2028 | 2029-2030 | Thereafter |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| Accounts payable and accrued liabilities | \$ 39,880 | \$ 39,880 | \$ — | \$ — | \$ — |
| Distributions payable | 4,323 | 4,323 | — | — | — |
| Revolver ¹² | 265,021 | — | 265,021 | — | — |
| Revolver interest payable ^{12,3} | 27,110 | 13,590 | 13,520 | — | — |
| Term loan ¹² | 275,000 | — | 275,000 | — | — |
| Term loan interest payable ¹² | 20,639 | 13,674 | 6,965 | — | — |
| Term loan 2 ¹² | 225,000 | — | 225,000 | — | — |
| Term loan 2 interest payable ¹² | 22,532 | 11,301 | 11,231 | — | — |
| Mortgages ¹² | 552,969 | 77,966 | 32,889 | 259,403 | 182,711 |
| Mortgage interest payable ¹² | 105,252 | 23,342 | 43,448 | 30,590 | 7,872 |
| Interest rate swaps | 2,652 | 432 | 2,130 | 90 | — |
| Exchangeable units of subsidiaries | 8,612 | 8,612 | — | — | — |
| Total | \$ 1,548,990 | \$ 193,120 | \$ 875,204 | \$ 290,083 | \$ 190,583 |

¹ Interest payable on floating-rate instruments is calculated on the outstanding principal using forward curves plus the applicable margins through maturity.

² Excludes the impact of the REIT's \$673.3 million pay-fixed, receive-float interest rate swaps that hedge a portion of the cash flow risk associated with one-month SOFR based interest payments.

³ Includes stand-by fee on the revolver to be paid in an amount equal to 0.25% of the unused portion of the revolver where the unused portion is greater than or equal to 50% of the maximum amount available and 0.15% of the unused portion of the revolver where the unused portion is less than 50% of the maximum amount available, calculated daily.

The REIT maintains \$8.0 million in cash and cash equivalents to satisfy a mortgage covenant that is recorded in the cash balance in the consolidated statements of financial position.

iii. Interest rate risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will vary as a result of changes in market interest rates. The REIT manages its financial instruments with the objective of mitigating any potential interest rate risks. For the revolver, term loan, and term loan 2, and the floating-rate mortgages, the interest rate on the loans will vary depending on changes in base rate and/or SOFR rate. The REIT is subject to interest rate risks mainly from non-current debt that has variable interest rate. The REIT manages these cash flow interest rate risks using pay-fixed received-float interest rate swap contracts to swap the floating-rate payments on the credit facility for fixed rate payments.

Cash flow sensitivity analysis

The interest rate profile of variable rate interest bearing debt and associated interest rate sensitivity to changes in interest rates is as follows:

| | December 31, 2025 | December 31, 2024 |
|---|-------------------|-------------------|
| Variable-rate instruments | | |
| Revolver | \$ 265,021 | \$ 220,771 |
| Term loan | 275,000 | 275,000 |
| Term loan 2 | 225,000 | 225,000 |
| Mortgage | 16,492 | — |
| Mortgage | 39,300 | — |
| Mortgage | 9,000 | — |
| Effect of interest rate swaps | (673,300) | (625,000) |
| Total effective variable-rate debt | \$ 156,513 | \$ 95,771 |
| Effective fixed rate debt as a total of all debt | 88.1% | 91.9% |
| Annual impact of a 25 bps change on interest rates | \$ 391 | \$ 239 |

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

iv. Unit price risk

The REIT is exposed to unit price risk in net income as a result of its exchangeable units of subsidiaries. Exchangeable units of subsidiaries have been classified as liabilities and measured at fair value based on market trading prices. Exchangeable units of subsidiaries negatively impact net income when the unit price rises and positively impact net income when unit prices decline. An increase of \$1.00 in the underlying price of exchangeable units of subsidiaries results in an increase to liabilities and a decrease in net income of \$0.8 million.

v. Currency risk

Currency risk is associated with a fluctuation in the value of the U.S. dollar relative to other foreign currencies. Although not material, the REIT is exposed to currency risk as certain of the REIT's expenses are denominated in Canadian dollars.

23. RELATED PARTIES

Pursuant to the terms of a management agreement as amended on October 1, 2021, the Manager provides all management services to the REIT. The Manager agreed to provide certain services in connection with the business of the REIT, including: the structuring of the REIT, liaising with legal and tax counsel; identifying properties for acquisition; maintaining ongoing relationships with the lenders in respect of the mortgage loans for the properties; conducting continuous analysis of market conditions; and advising with respect to the disposition of the properties. In return for its service, the Manager receives the following fees:

- i. an asset management fee calculated as a percentage of gross book value ("GBV") of the REIT (the "rate"). A rate of 0.40% is applicable to a GBV of up to \$2.0 billion and reduced based on certain GBV increases. The asset management fee is recognized in net income as a general and administrative expense; and
- ii. an acquisition fee in an amount equal to 0.75% of the gross purchase price of each property (or interest in a property), including the price, due diligence costs, closing costs, legal fees, and additional capital costs for all properties indirectly acquired by the REIT. The acquisition fee is capitalized to the properties at the time of acquisition.

These transactions are in the normal course of operations, are in accordance with the management agreement and are measured at the exchange amount. The exchange amount is the consideration established under contract and as approved by the REIT's board of trustees. The Manager is a significant unitholder in the REIT, with an approximate 5.6% interest.

Fees to the Manager are as follows:

| | Year ended December 31, | |
|------------------|-------------------------|-----------------|
| | 2025 | 2024 |
| Asset management | \$ 9,231 | \$ 9,113 |
| Acquisition | 101 | — |
| Total | \$ 9,332 | \$ 9,113 |

Trustee fees

The REIT's key personnel include trustees and officers of the REIT. For the year ended December 31, 2025, trustee fees amounted to \$0.9 million (year ended December 31, 2024 – \$0.8 million).

Slate Grocery REIT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

(in thousands of United States dollars, unless otherwise stated)

24. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in liabilities arising from financing activities are as follows:

| | Revolver ¹ | Term Loans ¹ | Mortgages | Exchangeable units of subsidiaries | Total |
|--|-----------------------|-------------------------|-------------------|------------------------------------|-----------------|
| Balance, December 31, 2024 | \$ 217,332 | \$ 494,377 | \$ 454,946 | \$ 8,733 | |
| Cash flows | | | | | |
| Advances, net ¹ | 60,750 | — | 63,123 | — | 123,873 |
| Debt repayments | (16,500) | — | (57,078) | — | (73,578) |
| Non-cash changes | | | | | |
| Amortization of deferred financing costs and MTM adjustments | 1,115 | 1,985 | 2,054 | — | 5,154 |
| Exchanges | — | — | — | (1,390) | (1,390) |
| Acquisition | — | — | 81,352 | — | 81,352 |
| Change in fair value | — | — | — | 1,269 | 1,269 |
| Balance, December 31, 2025 | \$ 262,697 | \$ 496,362 | \$ 544,397 | \$ 8,612 | |

| | Revolver ¹ | Term Loans ¹ | Mortgages | Exchangeable units of subsidiaries | Total |
|---|-----------------------|-------------------------|-------------------|------------------------------------|------------------|
| Balance, December 31, 2023 | \$ 188,108 | \$ 495,712 | \$ 477,936 | \$ 8,269 | |
| Cash flows | | | | | |
| Advances, net ¹ | 239,873 | 221,994 | 127,737 | — | 589,604 |
| Debt repayments | (211,405) | (225,000) | (151,546) | — | (587,951) |
| Non-cash changes | | | | | |
| Amortization of deferred financing costs and mark-to-market adjustments | 756 | 1,671 | 819 | — | 3,246 |
| Change in fair value | — | — | — | 464 | 464 |
| Balance, December 31, 2024 | \$ 217,332 | \$ 494,377 | \$ 454,946 | \$ 8,733 | |

¹Changes in financial instruments that hedge the REIT's liabilities arising from financing activities include the REIT's interest rate swaps. Refer to note 9 for more detail.

25. SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2025:

- i. On January 2, 2026, the REIT entered into a \$90.0 million mortgage, which is secured by a portfolio of eight properties, bearing interest at one-month SOFR plus an applicable spread of 180 bps and maturing on July 2, 2027, with one six-month extension option available. The proceeds of the mortgage were used to repay the existing mortgage on six of the assets within the portfolio.
- ii. On January 2, 2026, the REIT entered into a \$90.0 million pay-fixed, receive-float interest rate swap contract to hedge the cash flow risk associated with the \$90.0 million portfolio refinancing and its monthly SOFR based interest payments. The swap has a pay-fixed rate of 3.52% and a maturity date of January 4, 2027.
- iii. On January 15, 2026, the REIT declared monthly distributions of \$0.072 per class U unit. Holders of class A units, class I units, and units of subsidiaries of the REIT were also entitled to receive an equivalent distribution.
- iv. On January 8 and 30, 2026, the REIT repaid \$16.0 million and \$1.2 million, respectively, on the Revolver.